

FILED

SEP 15 2015

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF BILL BARRETT CORPORATION FOR AN ORDER POOLING ALL INTERESTS, INCLUDING THE COMPULSORY POOLING OF THE INTERESTS OF CERTAIN NON-CONSENTING OR UNLOCATABLE OWNERS, IN SPECIAL DRILLING UNIT #16, ESTABLISHED FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE LOWER GREEN RIVER-WASATCH FORMATIONS, COMPRISED OF THE W½NW¼ OF SECTION 17 AND ALL OF SECTION 18, TOWNSHIP 2 SOUTH, RANGE 2 EAST, USM, UINTAH COUNTY, UTAH

**MOTION FOR LEAVE TO
SUBSTITUTE AND REPLACE
EXHIBIT "13"**

Docket No. 2015-025

Cause No. 139-136

COMES NOW, Bill Barrett Corporation ("BBC"), acting by and through its attorneys, MacDonald & Miller Mineral Legal Services, PLLC, and pursuant to Utah Admin. Code Rule R641-105-300, and hereby requests the Board of Oil, Gas and Mining (the "Board") for leave to substitute and replace Exhibit "13" filed as part of BBC's Exhibits on August 17, 2015, with the Replacement Exhibit "13" attached hereto and by this reference incorporated herein. Exhibit "13" reflects the calculation of the average weighted fee landowner's royalty in Special Drilling Unit #16. Since the Request for Agency Action and original Exhibit "13" were filed, Rod Jacobson, for whom compulsory pooling was sought, has leased and his lease provides for a 1/6 royalty to be

paid. As a consequence, the need to compulsory pool Mr. Jacobson's interest is now moot, but there is also an upward adjustment of the average weighted fee landowner's royalty ("AWFR") in the Special Drilling Unit, which is reflected in the attached Replacement Exhibit "13." In addition, BBC was actively negotiating with Chevron U.S.A., Inc., another party for which compulsory pooling is sought, for sale of its interest up until Monday, September 14, 2015, at which time negotiations terminated. If the sale had been consummated, further adjustment of the AWFR would have been required. BBC was therefore awaiting the results of the negotiation before submitting its replacement exhibit.

Exhibits filed later than 30 days before the scheduled hearing date may be allowed by the Board upon good cause shown (*see* Utah Admin. Code Rule R641-105-500). The hearing on this matter is scheduled for tomorrow, September 16, 2015. At this time, there have been no timely responses filed and no other parties that have made a formal appearance in this matter. As a consequence, and for the reasons outlined above, BBC respectfully requests this Motion for Leave be granted and the attached Replacement Exhibit "13" be substituted for and replace the original of said Exhibit currently on file in this Cause. A proposed Order Granting Leave is submitted herewith.

Respectfully submitted this 15th day of September, 2015.

**MACDONALD & MILLER
MINERAL LEGAL SERVICES, PLLC**

By: 

Frederick M. MacDonald, Esq.

Attorneys for Petitioner Bill Barrett Corporation

FMM:mk
1000.43

REPLACEMENT EXHIBIT "13"
Drilling Unit #16 Average Weighted Fee Royalty Calculations
(Revised to reflect leasing of Rod Jacobson)

Total DSU Acreage		704.40
less State	50% x 0.13 =	<0.07>
	Total Applicable Acreage =	704.33

Original Tract Participation Factor

Tract	% Leased x Acreage =	Original TPF
1	[100% - 0.543302% (Benien) - 0.117524% (Servipetrol) - 0.006613% (Mueller Group)] = 99.332561% x 80/704.33 =	11.282502%
2	[100% - 0.543428% (Benien) - 0.117524% (Servipetrol) - 0.006613% (Mueller Group)] = 99.332435% x 119.13/704.33 =	16.801035%
3	100% x 40/704.33 =	5.679156%
4	EXCLUDED	-0-
5	100% x 78.62/704.33 =	11.162381%
6	100% x 55.58/704.33 =	7.891187%
7	100% x 10.12/704.33 =	1.436826%
8	100% x 10/704.33 =	1.419789%
9	100% x 10/704.33 =	1.419789%
10	100% x 5.32/704.33 =	0.755328%
11	100% x 3.01/704.33 =	0.427356%
12	100% x 2.77/704.33 =	0.393282%
13	100% x 2.19/704.33 =	0.310934%
14	100% x 2/704.33 =	0.283958%
15	100% x 1.99/704.33 =	0.282538%
16	100% x 1.67/704.33 =	0.237105%
17	100% x 0.99/704.33 =	0.140559%
18	100% x 15/704.33 =	2.129684%
19	100% x 5.44/704.33 =	0.772365%
20	100% x 4.55/704.33 =	0.646004%
21	100% x 2.77/704.33 =	0.393282%
22	100% x 1.56/704.33 =	0.221487%
23	100% x 1.28/704.33 =	0.181733%
24	100% x 1.04/704.33 =	0.147658%
25	100% x 0.76/704.33 =	0.107904%
26	100% x 0.53/704.33 =	0.075249%
27	100% x 0.47/704.33 =	0.066730%
28	100% x 0.46/704.33 =	0.065310%
29	100% x 0.45/704.33 =	0.063891%
30	100% x 0.36/704.33 =	0.051112%
31	100% x 0.36/704.33 =	0.051112%
32	100% x 0.32/704.33 =	0.045433%

33	$100\% \times 21.51/704.33 =$	3.053966%
34	$100\% \times 12.85/704.33 =$	1.824429%
35	$100\% \times 1.82/704.33 =$	0.258402%
36	$100\% \times 0.91/704.33 =$	0.129201%
37	$[100\% - 10.416667\% \text{ (Farnsworth Group)}] =$ $89.583333\% \times 0.77/704.33 =$	0.097936%
38	$100\% \times 0.76/704.33 =$	0.107904%
39	$100\% \times 0.45/704.33 =$	0.063891%
40	$100\% \times 0.44/704.33 =$	0.062471%
41	$100\% \times 0.41/704.33 =$	0.058211%
42	$100\% \times 0.08/704.33 =$	0.011358%
43	$[100\% - 2.083333\% \text{ (Crapo Group)}] =$ $97.916667\% \times 37.38/704.33 =$	5.196605%
44	$100\% \times 55.27/704.33 =$	7.847174%
45		
	<u>oil</u> : $[100\% - 0.75\% \text{ (J. Hatch)} - 1.645226\% \text{ (Stone Group)}] =$ $97.604774\% \times 20.68/704.33 =$	2.865797%
	<u>gas</u> : $[100\% - 1.645226\% \text{ (Stone Group)}]$ $= 98.354774\% \times 20.68/704.33 =$	2.887818%
46	$[100\% - 1.645226\% \text{ (Stone Group)}] =$ $98.354774\% \times (0.13 - 0.07)/704.33 =$	0.008379%
	Total	
	oil =	86.528403%
	gas =	86.550424%

Equalized Tract Participation Factor

Oil

Tract		Equalized TPF
1	$11.282502\%/86.528403\% =$	13.039073%
2	$16.801035\%/86.528403\% =$	19.416786%
3	$5.679156\%/86.528403\% =$	6.563343%
5	$11.162381\%/86.528403\% =$	12.900251%
6	$7.891187\%/86.528403\% =$	9.119765%
7	$1.436826\%/86.528403\% =$	1.660525%
8	$1.419789\%/86.528403\% =$	1.640836%
9	$1.419789\%/86.528403\% =$	1.640836%
10	$0.755328\%/86.528403\% =$	0.872925%
11	$0.427356\%/86.528403\% =$	0.493891%
12	$0.393282\%/86.528403\% =$	0.454512%
13	$0.310934\%/86.528403\% =$	0.359343%
14	$0.283958\%/86.528403\% =$	0.328167%
15	$0.282538\%/86.528403\% =$	0.326526%
16	$0.237105\%/86.528403\% =$	0.274020%
17	$0.140559\%/86.528403\% =$	0.162443%

18	2.129684%/86.528403% =	2.461254%
19	0.772365%/86.528403% =	0.892614%
20	0.646004%/86.528403% =	0.746580%
21	0.393282%/86.528403% =	0.454512%
22	0.221487%/86.528403% =	0.255970%
23	0.181733%/86.528403% =	0.210027%
24	0.147658%/86.528403% =	0.170647%
25	0.107904%/86.528403% =	0.124704%
26	0.075249%/86.528403% =	0.086965%
27	0.066730%/86.528403% =	0.077119%
28	0.065310%/86.528403% =	0.075478%
29	0.063891%/86.528403% =	0.073838%
30	0.051112%/86.528403% =	0.059070%
31	0.051112%/86.528403% =	0.059070%
32	0.045433%/86.528403% =	0.052506%
33	3.053966%/86.528403% =	3.529438%
34	1.824429%/86.528403% =	2.108474%
35	0.258402%/86.528403% =	0.298633%
36	0.129201%/86.528403% =	0.149316%
37	0.097936%/86.528403% =	0.113184%
38	0.107904%/86.528403% =	0.124704%
39	0.063891%/86.528403% =	0.073838%
40	0.062471%/86.528403% =	0.072197%
41	0.058211%/86.528403% =	0.067274%
42	0.011358%/86.528403% =	0.013126%
43	5.196605%/86.528403% =	6.005664%
44	7.847174%/86.528403% =	9.068900%
45	2.865797%/86.528403% =	3.311973%
46	0.008379%/86.528403% =	0.009683%
Total =		100%

Gas

Tract		Equalized TPF
1	11.282502%/86.550424% =	13.035756%
2	16.801035%/86.550424% =	19.411846%
3	5.679156%/86.550424% =	6.561673%
5	11.162381%/86.550424% =	12.896969%
6	7.891187%/86.550424% =	9.117445%
7	1.436826%/86.550424% =	1.660103%
8	1.419789%/86.550424% =	1.640418%
9	1.419789%/86.550424% =	1.640418%
10	0.755328%/86.550424% =	0.872703%
11	0.427356%/86.550424% =	0.493765%
12	0.393282%/86.550424% =	0.454396%
13	0.310934%/86.550424% =	0.359252%

14	0.283958%/86.550424% =	0.328084%
15	0.282538%/86.550424% =	0.326443%
16	0.237105%/86.550424% =	0.273950%
17	0.140559%/86.550424% =	0.162401%
18	2.129684%/86.550424% =	2.460628%
19	0.772365%/86.550424% =	0.892387%
20	0.646004%/86.550424% =	0.746390%
21	0.393282%/86.550424% =	0.454396%
22	0.221487%/86.550424% =	0.255905%
23	0.181733%/86.550424% =	0.209974%
24	0.147658%/86.550424% =	0.170603%
25	0.107904%/86.550424% =	0.124672%
26	0.075249%/86.550424% =	0.086942%
27	0.066730%/86.550424% =	0.077100%
28	0.065310%/86.550424% =	0.075459%
29	0.063891%/86.550424% =	0.073819%
30	0.051112%/86.550424% =	0.059055%
31	0.051112%/86.550424% =	0.059055%
32	0.045433%/86.550424% =	0.052493%
33	3.053966%/86.550424% =	3.528540%
34	1.824429%/86.550424% =	2.107938%
35	0.258402%/86.550424% =	0.298557%
36	0.129201%/86.550424% =	0.149278%
37	0.097936%/86.550424% =	0.113155%
38	0.107904%/86.550424% =	0.124672%
39	0.063891%/86.550424% =	0.073819%
40	0.062471%/86.550424% =	0.072179%
41	0.058211%/86.550424% =	0.067257%
42	0.011358%/86.550424% =	0.013123%
43	5.196605%/86.550424% =	6.004136%
44	7.847174%/86.550424% =	9.066592%
45	2.887818%/86.550424% =	3.336573%
46	0.008379%/86.550424% =	0.009681%
Total =		100%

Equalized Average Weighted Fee Royalty
Oil

Tract	Royalty Rate x Mineral Ownership x Equalized TPF =	Weighted Royalty
1		
a)	$20\% \times 40.784994\% \times 13.039073\% =$	1.063597%
b)	$18.75\% \times 7.203075\% \times 13.039073\% =$	0.176103%
c)	$1/6 \times 51.226971\% \times 13.039073\% =$	1.113254%
d)	$1/8 \times \underline{0.117521\%} \times 13.039073\% =$	0.001915%
	99.332561%	
2		
a)	$20\% \times 40.787901\% \times 19.416786\% =$	1.583940%
b)	$18.75\% \times 7.203456\% \times 19.416786\% =$	0.262252%
c)	$1/6 \times 51.223557\% \times 19.416786\% =$	1.657661%
d)	$1/8 \times \underline{0.117521\%} \times 19.416786\% =$	0.002852%
	99.332435%	
3	$1/6 \times 100\% \times 6.563343\% =$	1.093891%
5	$3/16 \times 100\% \times 12.900251\% =$	2.418797%
6	$1/6 \times 100\% \times 9.119765\% =$	1.519961%
7	$1/6 \times 100\% \times 1.660525\% =$	0.276754%
8	$1/6 \times 100\% \times 1.640836\% =$	0.273473%
9	$1/6 \times 100\% \times 1.640836\% =$	0.273473%
10	$1/6 \times 100\% \times 0.872925\% =$	0.145488%
11	$1/6 \times 100\% \times 0.493891\% =$	0.082315%
12	$1/6 \times 100\% \times 0.454512\% =$	0.075752%
13	$1/6 \times 100\% \times 0.359343\% =$	0.059891%
14	$1/6 \times 100\% \times 0.328167\% =$	0.054695%
15	$1/6 \times 100\% \times 0.326526\% =$	0.054421%
16	$1/6 \times 100\% \times 0.274020\% =$	0.045670%
17	$1/6 \times 100\% \times 0.162443\% =$	0.027074%
18	$3/16 \times 100\% \times 2.461254\% =$	0.461485%
19	$1/6 \times 100\% \times 0.892614\% =$	0.148769%
20	$1/6 \times 100\% \times 0.746580\% =$	0.124430%
21	$1/6 \times 100\% \times 0.454512\% =$	0.075752%
22	$1/6 \times 100\% \times 0.255970\% =$	0.042662%
23	$1/6 \times 100\% \times 0.210027\% =$	0.035005%
24	$1/6 \times 100\% \times 0.170647\% =$	0.028441%
25	$1/6 \times 100\% \times 0.124704\% =$	0.020784%
26	$1/6 \times 100\% \times 0.086965\% =$	0.014494%
27	$1/6 \times 100\% \times 0.077119\% =$	0.012853%
28	$3/16 \times 100\% \times 0.075478\% =$	0.014152%
29	$1/6 \times 100\% \times 0.073858\% =$	0.012306%
30	$1/6 \times 100\% \times 0.059070\% =$	0.009845%
31	$1/6 \times 100\% \times 0.059070\% =$	0.009845%

32		$1/6 \times 100\% \times 0.052506\% =$	0.008751%
33			
	a)	$1/6 \times [(79.166667\% \times 50\%) + 25\%] \times 3.529438\% =$	0.379905%
	b)	$1/8 \times (20.833333\% \times 50\%) \times 3.529438\% =$	0.045956%
	c)	$3/16 \times 25\% \times 3.529438\% =$	0.165442%
		100%	
34		$1/6 \times 100\% \times 2.108474\% =$	0.351412%
35			
	a)	$1/6 \times [(79.166667\% \times 50\%) + 50\%] \times 0.298633\% =$	0.044588%
	b)	$1/8 \times (20.833333\% \times 50\%) \times 0.298633\% =$	0.003888%
		100%	
36		$1/6 \times 100\% \times 0.149316\% =$	0.024886%
37		$1/6 \times 89.583333\% \times 0.113184\% =$	0.016899%
38		$1/6 \times 100\% \times 0.124704\% =$	0.020784%
39		$1/6 \times 100\% \times 0.073838\% =$	0.012063%
40		$1/6 \times 100\% \times 0.072197\% =$	0.012033%
41		$1/6 \times 100\% \times 0.067274\% =$	0.011212%
42		$1/6 \times 100\% \times 0.013126\% =$	0.002188%
43			
		$1/6 \times [(79.166667\% \times 25\%) + 66.666667\%] \times 6.005664\% =$	0.865400%
		$1/8 \times (20.833333\% \times 25\%) \times 6.005664\% =$	0.039099%
		$3/16 \times 6.25\% \times 6.005664\% =$	0.070379%
		97.916667%	
44		$1/6 \times 100\% \times 9.068900\% =$	1.511483%
45			
	a)	$20\% \times 4.114583\% \times 3.311973\% =$	0.027255%
	b)	$1/6 \times 84.115191\% \times 3.311973\% =$	0.516062%
		97.604774%	
46			
	a)	$20\% \times 4.114583\% \times 0.009683\% =$	0.000080%
	b)	$1/6 \times 44.240191\% \times 0.009683\% =$	0.000714%
		48.354774%	
		AWFR - Oil =	17.404531%
		<u>Gas</u>	
1			
	a)	$20\% \times 40.784994\% \times 13.035756\% =$	1.063326%
	b)	$18.75\% \times 7.203075\% \times 13.035756\% =$	0.176058%
	c)	$1/6 \times 51.226971\% \times 13.035756\% =$	1.112970%
	d)	$1/8 \times 0.117521\% \times 13.035756\% =$	0.001915%
		99.323561%	

2			
	a)	$20\% \times 40.787901\% \times 19.411846\% =$	1.583537%
	b)	$18.75\% \times 7.203456\% \times 19.411846\% =$	0.262186%
	c)	$1/6 \times 51.223557\% \times 19.411846\% =$	1.657240%
	d)	$1/8 \times 0.117521\% \times 19.411846\% =$	0.002852%
		99.332435%	
3		$1/6 \times 100\% \times 6.561673\% =$	1.093612%
5		$3/16 \times 100\% \times 12.896969\% =$	2.418182%
6		$1/6 \times 100\% \times 9.117445\% =$	1.519574%
7		$1/6 \times 100\% \times 1.660103\% =$	0.276684%
8		$1/6 \times 100\% \times 1.640418\% =$	0.273403%
9		$1/6 \times 100\% \times 1.640418\% =$	0.273403%
10		$1/6 \times 100\% \times 0.872703\% =$	0.145451%
11		$1/6 \times 100\% \times 0.493765\% =$	0.082294%
12		$1/6 \times 100\% \times 0.454396\% =$	0.075733%
13		$1/6 \times 100\% \times 0.359252\% =$	0.059875%
14		$1/6 \times 100\% \times 0.328084\% =$	0.054681%
15		$1/6 \times 100\% \times 0.326443\% =$	0.054407%
16		$1/6 \times 100\% \times 0.273950\% =$	0.045658%
17		$1/6 \times 100\% \times 0.162401\% =$	0.027067%
18		$3/16 \times 100\% \times 2.460628\% =$	0.461368%
19		$1/6 \times 100\% \times 0.892387\% =$	0.148731%
20		$1/6 \times 100\% \times 0.746390\% =$	0.124398%
21		$1/6 \times 100\% \times 0.454396\% =$	0.075733%
22		$1/6 \times 100\% \times 0.255905\% =$	0.042651%
23		$1/6 \times 100\% \times 0.209974\% =$	0.034996%
24		$1/6 \times 100\% \times 0.170603\% =$	0.028434%
25		$1/6 \times 100\% \times 0.124672\% =$	0.020779%
26		$1/6 \times 100\% \times 0.086942\% =$	0.014490%
27		$1/6 \times 100\% \times 0.077100\% =$	0.012850%
28		$3/16 \times 100\% \times 0.075459\% =$	0.014149%
29		$1/6 \times 100\% \times 0.073819\% =$	0.012303%
30		$1/6 \times 100\% \times 0.059055\% =$	0.009843%
31		$1/6 \times 100\% \times 0.059055\% =$	0.009843%
32		$1/6 \times 100\% \times 0.052493\% =$	0.008749%
33			
	a)	$1/6 \times [(79.166667\% \times 50\%) + 25\%] \times 3.528540\% =$	0.379808%
	b)	$1/8 \times (20.833333\% \times 50\%) \times 3.528540\% =$	0.045945%
	c)	$3/16 \times 25\% \times 3.528540\% =$	0.165400%
		100%	
34		$1/6 \times 100\% \times 2.107938\% =$	0.351323%
35			
		$1/6 \times [(79.166667\% \times 50\%) + 50\%] \times 0.298557\% =$	0.044576%
		$1/8 \times (20.833333\% \times 50\%) \times 0.298557\% =$	0.003887%
		100%	

36		$1/6 \times 100\% \times 0.149278\% =$	0.024880%
37		$1/6 \times 89.583333\% \times 0.113155\% =$	0.016895%
38		$1/6 \times 100\% \times 0.124672\% =$	0.020779%
39		$1/6 \times 100\% \times 0.073819\% =$	0.012303%
40		$1/6 \times 100\% \times 0.072179\% =$	0.012030%
41		$1/6 \times 100\% \times 0.067257\% =$	0.011210%
42		$1/6 \times 100\% \times 0.013123\% =$	0.002187%
43			
		$1/6 \times [(79.166667\% \times 25\%) + 66.666667\%] \times 6.004136\% =$	0.865179%
		$1/8 \times (20.833333\% \times 25\%) \times 6.004136\% =$	0.039089%
		$3/16 \times \underline{6.25\%} \times 6.004136\% =$	0.070361%
		97.916657%	
44		$1/6 \times 100\% \times 9.066592\% =$	1.511096%
45			
	a)	$20\% \times 4.114583\% \times 3.336573\% =$	0.027457%
	b)	$1/6 \times \underline{94.240191\%} \times 3.336573\% =$	0.524065%
		98.354774%	
46			
	a)	$20\% \times 4.114583\% \times 0.009681\% =$	0.000080%
	b)	$1/6 \times \underline{44.240191\%} \times 0.009681\% =$	0.000714%
		48.354774%	
AWFR - Gas =			17.408689%

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF BILL BARRETT CORPORATION FOR AN ORDER POOLING ALL INTERESTS, INCLUDING THE COMPULSORY POOLING OF THE INTERESTS OF CERTAIN NON-CONSENTING OR UNLOCATABLE OWNERS, IN SPECIAL DRILLING UNIT #16, ESTABLISHED FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE LOWER GREEN RIVER-WASATCH FORMATIONS, COMPRISED OF THE W $\frac{1}{2}$ NW $\frac{1}{4}$ OF SECTION 17 AND ALL OF SECTION 18, TOWNSHIP 2 SOUTH, RANGE 2 EAST, USM, UINTAH COUNTY, UTAH

**ORDER GRANTING LEAVE TO
SUBSTITUTE AND REPLACE
EXHIBIT "13"**

Docket No. 2015-025

Cause No. 139-136

The Board of Oil, Gas and Mining, having fully considered Bill Barrett Corporation's Motion for Leave to Substitute and Replace Exhibit filed on September 15, 2015, and finding good cause therefor, hereby grants said Motion and authorizes the substitution and replacement of the Replacement Exhibit "13" attached to the Motion for the original of said Exhibit currently on file in this Cause.

For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this ____ day of September, 2015.

**STATE OF UTAH
BOARD OF OIL, GAS AND MINING**

By: _____
Ruland J. Gill, Jr., Chairman

1000.43